

## LOK SABHA DEBATES

### LOK SABHA

Thursday, July 24, 1997/Shravana 2, 1919 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

[Translation]

#### Additional Power Generation

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\*21. SHRI SATYA DEO SINGH :  
JUSTICE GUMAN MAL LODHA :

Will the Minister of POWER be pleased to state :

(a) Whether the Government have assessed the annual rate of increase of power production capacity during the Eighth Five Year Plan as compare to Seventh Five Year Plan;

(b) if so, the rate of annual power production during the Seventh and Eighth Five Year Plans is commensurate with the increase in population;

(c) whether the annual rate of production has declined during 1996-97 as compared to preceding years;

(d) if so, the details thereof; and

(e) the target set for increase in the rate of annual production during 1997-98 ?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH) : (a) to (c) A Statement is laid on the Table of the House.

#### Statement

(a) Yes, Sir.

(b) The average annual rate of increase in power generation capacity during the Seventh and Eighth Five Year Plan period was 9.9 per cent and 4.8 per cent

respectively. The average annual growth rate of population during the Seventh and Eighth Five Year Plan period was 2.4 per cent and 2 per cent respectively.

(c) and (d) The power generation during 1995-96 and 1996-97 was 380 billion units and 394.5 billion units respectively. In 1995-96 power generation registered an increase of 8.3 per cent. However, during 1996-97 the rate of growth of power generation declined to 3.8 per cent. The decline in the rate of growth of power generation in 1996-97 was primarily due to shortfall in capacity addition, and lower hydel generation. This was partly compensated by a higher level of thermal generation which was achieved by an increase in the Plant Load Factor (PLF).

(e) The target for power generation during the current year (1997-98) has been fixed at 429 billion units. Which represents a growth of 8.7 per cent over the generation level achieved during the last year (1996-97). The growth rates in power generation in the first three months of 1997-98 are as follows :

Sl.No.	Month	Growth Rate (%)
1.	April '97 April '96	(-) 8.0
2.	May '97 May '96	(+) 2.8
3.	June '97 June '96	(+) 8.2

[Translation]

SHRI SATYA DEO SINGH : Mr. Speaker, Sir, this point of mine involves national interest. The darkness caused by the power shortage has enveloped not only our wordly life but also our economy. For every country it is very necessary to have a constant and increased power generation to sustain its economy on firm footings. We have seen that when we started our Eighth Five Year Plan, we were far short of our power generation production target set in the Seventh Plan.

✓ Mr. Speaker, Sir, it is a matter of great concern that average power consumption of the world is between 22 and 50 kilowatt hours whereas in India it is 300 kilowatt hours. Such is the grim picture of power generation in our country.

Sir, it was due to the acute power shortage that the Northern Grid had failed recently on the 20th December which had affected seven states including Delhi. I am sure that the Hon'ble Minister of Power must be remembering the target of 48 thousand MW was fixed in the 8th Five Year Plan which was later revised to 30,538 MW probably due to our limited resources or for some other reasons but the target achieved by the Department was to the tune of only 18 thousand MW which is a pointer to a very very alarming situation. As per Govt's data, the current power production falls short of only seven percent of our total power requirement. It is 16 per cent during the peak hours. We have failed to increase our Plant Load Factor. In respect of average, we are barely between 61 and 62. In case the plant load factor is increased even by one per cent, we can have an additional power generation of 800 MW by these already installed plants themselves which cost totals to nearly rupees three thousand crore. India is also at the top of the world in the matter of line losses in transmission.

MR. SPEAKER : Your question is becoming very lengthy.

SHRI SATYA DEO SINGH : I am coming to the main point. This is very important matter.

[English]

MR. SPEAKER : I know the importance of it.

SHRI SATYA DEO SINGH : I really appreciate it. The situation about the electricity is assuming alarming proportions and, therefore, I beg your leave to allow me to elaborate on some points.

[Translation]

The percentage of our line losses in 20.85. The hon. Minister is well aware of these things.

The point is that 15th Electric Power Survey Committee have set a target of 95,757 MW electricity by the year 2001-02 in this report. Govt. has setup this Committee. I am not interested in knowing as to what measures are being taken to achieve this target. What I want to know is the steps taken by the Govt. to increase the existing Plant Load Factor and minimise transmission losses, in respect of power transmission and distribution of power plants Houses particularly Thermal ones. It is a well known fact that these measures are relatively cheaper and require less time for their execution. Renovation and modernisation thereof will require huge Government expenditure. Further, what are

the Government's proposal in respect of setting up of small power houses/plants having small installed capacity ? What action the Government propose to initiate in this regard by increasing its own efficiency within the limited resources rather than wait for mobilisation of additional capital resource ?

In respect of part (b) of my question, I would like to say that too much capital is required for setting up of new units in order to increase power generation. The plans of the Govt. to enhance power generation by attracting foreign investment in private sector has not yielded the desired results. Whether the Government is contemplating taking any effective steps to get the foreign capital and the capital private sector invested on power generation sector ?

SHRI YOGINDER K. ALAGH : I fully agree with the hon. Member on the point that power situation in the country is very grim. In short he has posed a direct question to me as to what do the Government propose for this year? I, therefore, want to let him know that on individual level, first of all we are sending the engineers of Central Electricity Authority the units having less Plant Load Factor over the past months or years with the instruction that in case any technical assistance or resources are required from the Government, we are ready to provide the same because the Ministry of power was provided a non-budgetary amount of Rs. 900 crore after the current Budget presented which I hope the hon. Member must be remembering. We have provided resources to the Power Finance Corporation to assist those States which are desirous of increasing the Plant Load Factor in the short run. We want to monitor suit cases at the individual level . . . (Interruptions)

SHRI ANAND RATNA MAURYA : What is the total amount you have provided under this item for increasing the power generation ?

MR. SPEAKER : No, you cannot put a question like this.

SHRI YOGINDER K. ALAGH : First let me reply to the hon. Members' question. Then I will answer your query.

MR. SPEAKER : No. There is no need for it. have not allowed him to ask the question.

SHRI YOGINDER K. ALAGH : Out of this, amount we have therefore, kept Rs. 200 crore as subsidy on interest for renovation and modernisation. We are also preparing scheme for the individual plants. If technical assistance is needed, it would be provided by BHEL, NTPC or other such companies which are desirous of offering their services.

If resources are available, then Rs. 1700-1800 crores can be spent on renovation and modernisation from the interest subsidy of Rs. 200 crores which would increase power generation by 1500-2000 MW annually. Thirdly, we are providing help to such schemes which yield quick results. For example, I would like to tell the hon. Member that we are helping those entrepreneurs in Karnataka who are interested in setting up a 400 MW wind power plant as wind power plant capacity can be increased in a short time. We are rendering assistance to them regarding their problems of providing bank guarantee and fixing the same with the loans etc.

Fourthly, Central Electricity Authority has identified several small hydel projects. I am writing to the Chief Ministers regarding such individual projects. The Secretary of Power is also writing to the Chief Secretary and the Power Secretaries. My colleague, Capt. Nishad is in charge of the mini-hydel projects. But there are several such small projects, totalling 6400 MW. In such projects, if a machine is installed at the canal's regulator, the others can be replicated. This can be done in a year or two. For the first time after several months energy output increased by 8 per cent in the month of June. Last year, it was 3.8 per cent. It decreased in April. It increased a little in May. And we would try our best to achieve this year's target.

The second question which hon. Member has asked is as to what we are doing for the private sector projects. I would like to tell him that the Prime Minister has also directed the Power Ministry to fix a deadline for deciding each project and we are preparing per-chart in this regard. We have to look into the problem of coal and financial closure. We expect to approve the counter guarantee and mega projects this year. Approval has to be given this year so that these projects could be included in the Ninth Five Year Plan so as to provide an opportunity for investment by the Private Sector. Because such projects take 3-4 years or even 5 years for completion.

SHRI SATYA DEO SINGH : I thank the Minister for answering almost all the questions.

Part (a) of my supplementary Question No.2 relates to the huge transmission losses in our country. We discuss a lot regarding the transmission losses and we also propose to make a separate arrangement for transmission of power. Most of our transmission lines are of 400 KV and are all AC. On an experimental basis you had set up a 400 KV DC transmission lines in the country. In the foreign countries, specially in America and Europe the use of 60 to 65 KW DC lines and 10 to 65 KW AC transmission

lines have been very successful. According to an estimate if this is done in India, we can save the transmission losses which is as high as 9000 MW.

I would like to know whether the hon'ble Minister proposes to work out any plan or devices any strategy to control the transmission losses by introducing this kind of transmission lines of higher kilowatt Velocity in the country?

My next point pertains again to the part (b) of my question. The demand projection of energy, particularly electricity, in our country is in too much more than the actual requirement. There are several units which are actually running only one shift rather than three shifts, as claimed by them. I, therefore, would like to know whether the Government has evolved any measures to find out the actual requirement of electricity in the country so that we could take steps in that direction in order to increase the power generation in the country in future ?

SHRI YOGINDER K. ALAGH : I am happy to state that so far as H.V.D.C. target of 3878 circuits kilometers is concerned, the Finance Minister in a meeting held day before yesterday with the Planning Commission had assured that *[English]* "Power will be a fully funded sector." *[Translation]* Besides this when this matter was taken up some days back with some of the industrialists, I had again said that it was very wrong to say that power sector did not absorb money. We ~~concede~~ that we could not execute many projects during the 8th Plan which has resulted in decline in the number of projects during the 8th Plan which has resulted in decline in the number of project but this year we intend to start many projects. If the hon'ble members like, I will straight away approve NTPC or HVDC project because the repetition will entail wastage of time. In addition we have cleared a resolution during the last month that *[English]* "Power will be a fully funded sector" *[Translation]* of Finance says or whether that the Minister means that the utilities of central Government or public sector will also get equality so that they may mobilise more resources from banking sector, state governments and private sector and make it a fully funded plan. I hope that in future we will succeed in achieving our targetted goals. His point is very pertinent that we are having energy deficit and in, we has fail to fulfil the energy demand of the people. I would say in this regard that we have set up a committee consisting of our several experts to look into this matter and give their findings.

*[English]*

SHRI SUDHIR GIRI : Mr. Speaker, Sir, the decline in

power generation during the year was attributed to the shortfall of capacity addition of lower hydel power generation. May I know from the hon. Minister the reasons for lower hydel production ? I would also like to know whether there is any scope for acceleration of hydel power production. If so, what are the reasons for not fully exploiting the hydel power generation ? What steps have been taken by the Government to increase the quantum of hydel power production in the country ?

SHRI YOGINDER K. ALAGH : Sir, the reasons for lower hydel power production last year were basically the reasons of lower inflow of water into some of the large reservoirs. What we are trying to do right now is, which I think is more important, that out of the funds that have been placed at the disposal of the Ministry of Power we are releasing additional funds for the completion of the on-going hydel projects in the public sector. I do not want to get into the project level details because it would take time. For example, the National Hydel Power Corporation has been given Rs. 450 crore more this year so that it could accelerate the completion of on-going projects. In some projects where there are some problems of evacuation, we are looking into the technical details so that the coordination with the grid is better. I would like to inform the House that during the month of June our engineers have been able to achieve a rate of growth of eight per cent which is close to our target. We should congratulate them and support them in achieving this objective this year. We have every intention of supporting those units which can turn around and make a greater profit.

SHRI ISWAR PRASANNA HAZARIKA : Mr. Speaker, Sir, I welcome the policy initiative taken by the Government to go for short gestation liquid fuel based power projects of a total capacity of 10,000 to 12,000 megawatts as a short term solution to the problem. In this context, I would like to know from the hon. Minister whether the Ministry of Petroleum and Natural Gas has given its concurrence to this proposal because this would involve import of huge quantities of naphtha and other liquid fuels for running the power plant.

Secondly, if they have given concurrence, then what is going to happen to the port capacity ? I would like to know whether the ports in India can handle the liquid cargo over and above what is being already handled in the form of imports of crude oil and other liquid petroleum products.

In the case of land-locked States like Rajasthan and Madhya Pradesh, certain capacity addition has been earmarked based on liquid fuel. In this context, I would

like to know whether any pipeline would be required. What transportation arrangements have been made to make these projects feasible ?

Thirdly, what would be the impact on the tariff and on the cost of generation if these projects based on liquid fuels are established ?

SHRI YOGINDER K. ALAGH : The allocation of liquid fuel, mainly naphtha was 12,000 MWs which is what the Government had announced and it has been agreed to by the Ministry of Petroleum and Natural Gas. That will be provided from the existing facilities plus planned imports. The hon. Member's question is a very important one in the sense that we may need some further investment in infrastructure from the existing supply points to supply this naphtha to the proposed power projects. As of today, apart from two States, in all other States, the projects that they have give to tie up this 12,000 MWs have been approved; in two States, the approval has been given and they have been asked to give a project-level details. That will be done.

Now the Ministry of Petroleum and Natural Gas has suggested that independent power producers should give a certain sum of money per MW so that that money which can be adjusted towards the price later on will be used for completing the infrastructure at the lower level. The hon. Member is a very knowledgeable person and he knows that naphtha based power is an expensive power. But there was a study done by the Planning Commission last year— I remember when I was the Planning Minister it was done— which said that since we would be short of fuel in the next two years, it seems economically viable to invest even in this expensive power.

MR. SPEAKER : Thank you. I know that this subject is a very important one. But then the House will resume discussion on the Ninth Plan Document during this Session. I think, that is the time when this issue should be given emphasis and importance; and the hon. Members may participate in it.

#### Working of Local Bodies in States

\*22. SHRI N. DENNIS : Will the Minister of RURAL AREAS AND EMPLOYMENT be pleased to state :

- (a) whether the working of local bodies in States is examined by the Union Government;
- (b) if so, the details thereof;
- (c) if not, the steps taken to check the identify the drawbacks in their functioning; and